

Bond Bank successfully re-enters security market

By DANIEL BEEGAN
Associated Press Writer

Despite Indian claims to more than half the state, the Maine Municipal Bond Bank re-entered the security market with ease Friday. It sold \$20.5 million in 20-year serial bonds at what was termed a favorable interest rate of 5 3/4 per cent.

The sale was the first since the bond bank cancelled a \$27 million sale last September because of questions about the impact on Indian land claims to more than half the state on Maine's ability to borrow money.

"This would look like the second best sale of seven (for the bond bank), in spite of the Indian problems," said Joel R. Mesznik, financial advisor to the bond bank and a representative of Drexel Burnham Lambert Inc.

Mesznik added, "I think you got a very good rate but with business as usual you could have done a little better."

Pleased bond bank officials said it was difficult to determine the size of any "penalty" it may have paid due to the Indian land claims, because the interest rate was within prevailing market conditions.

Bond bank commissioners approved the negotiated sale of the securities to an underwriting syndicate headed by Goldman Sachs & Co. and Matthews and Wright Inc.

Sixty-five per cent of the proceeds will be used for projects in

or around the area of the state claimed by the Penobscot and Passamaquoddy Indians.

When ownership of land is in doubt, the ability of government to tax property to raise money to repay its debts is in doubt.

The Friday sale was bolstered by an opinion from the New York law firm of Hawkins, Delafield & Wood, which said earlier this year that "although the matter is not entirely free from doubt, a court of final jurisdiction will not grant to the Indians the right of possession and occupancy to the land in the claims area."

The bond bank is a clearing house for municipalities which seek a national market for securities to finance hospital, school and town projects. It buys the local bonds and uses them to secure the bonds it sells.

Last week, the bond bank retained its Aa rating from Moody's Investors Service and its AA rating from Standard and Poor. Retention of those second highest ratings indicated no change in investor confidence in the securities.

Earlier this year, both the state and the Maine Housing Authority sold a total of nearly \$50 million in bonds.

Securities analysts said the state may have paid a quarter of a per cent interest penalty in its February sale. The housing authority's sale of \$34 million in securities at an average 6 per cent interest rate was within one-eighth of a per cent of market conditions.

Before the three sales, there were fears that the Indian

claims would prevent the state from borrowing.

The last successful sale was \$25.1 million in March, 1976, at an average 6 7/8 per cent interest rate.

Projects in an around the disputed area of the state include \$4.3 million for the Caribou Hospital District, \$4 million for Hospital Administrative District 4 in the Dover-Foxcroft area, \$1.6 million for School Administrative District 22 in Hampden, \$995,000 for School Administrative District 56 in the Searsport area, \$2.1 million for Southern Aroostook Vocational Education

Region II and \$555,000 for the Southern Aroostook Community School District.

Projects outside the claims area include \$2.1 million for School Administrative District 43 in Mexico, \$1.4 million for School Administrative District 51 in the Yarmouth area, \$165,000 for the town of Pittsfield and \$1.8 million for the town of Rangeley.

The remaining proceeds will be used for the bond bank's reserve fund.

Briefly

Shoe firm chief indicted

BANGOR (AP) — The president of shoe companies which closed down last fall in Brunswick and Biddeford has been indicted by a federal grand jury on a charge of failing to deposit withheld income and Social Security taxes.

Raymond E. Carignan, 36, was named this week in a five-count indictment alleging that he failed to deposit taxes with held from his employees at Alpha Carbide Inc., Brunswick, the U.S. attorney's office said.

Carignan, formerly of Biddeford, was reported by authorities to be living in Oceanside, Calif. He left Maine after his shoe manufacturing firms shut down, throwing nearly 300 persons out of work.

The indictment alleged that Carignan, as president of Alpha Carbide, failed to deposit \$11,435 last year in accordance with the Internal Revenue code.

His case was continued for arraignment in U.S. District Court in Portland.

Motorcyclist killed

SOUTH PORTLAND (AP) — A motorcycle accident claimed the life of a Portland man who was killed after his motorcycle struck a cement overpass along the 295 interchange in South Portland, state police said Friday.

Officials said Robert E. Polley Jr., 26, died Thursday night after he lost control of his motorcycle and went off the interchange.

Walter S. Sellick, 23, a passenger on the motorcycle, was injured and taken to Maine Medical Center. Police said Sellick and Polley shared an apartment in Portland.

Officials said the motorcycle slid along a guardrail for several yards before hitting the cement overpass. Both driver and passenger were thrown down an embankment after hitting the overpass.

Auburn widow rescued

AUBURN (AP) — An elderly widow who was rescued by firemen from her burning third-floor apartment in Auburn was listed in satisfactory condition Friday.

Officials said Catherine Gallagher, 79, was being treated in the intensive care unit of Central Maine Medical Center in Lewiston.

Auburn firefighter Joseph Camp crawled through the smoke filled Newbury street apartment Thursday night to find Mrs. Gallagher unconscious on a kitchen couch.

While other firemen battled the flames, Camp carried the woman down two flights of stairs to safety.

Camp and his fellow firemen from Engine Two and Aerial Two were commended by Chief Ralph S. Adams for the successful rescue.

'Bucky' Fuller to testify

PORTLAND (AP) — Architect R. Buckminster Fuller is expected to testify later this month at a Senate hearing on problems facing small businesses involved in alternative energy work.

U.S. Sen. William D. Hathaway said this week that Fuller, a proponent of windpower and other alternative energy sources, would be the first witness at a Senate Small Business Committee hearing May 23 at the University of Maine, Portland-Gorham.

The Maine Democrat, who is to conduct the hearing with Sen. Thomas J. McIntyre (D-N.H.), said other Maine and New Hampshire witnesses concerned with industries dealing with solar, wind, wood waste and other renewable sources of power would be invited to the hearing.

In an invitation to some 20 small business operators, Hathaway said one of the purposes of the hearing is to determine whether government policy is contributing to problems small businesses are having in alternative energy work.

Sagadahoc replacements

By The Associated Press

Replacements for county positions held by Laurance Dow of Waldo County and Rep. Courtney E. Stover of West Bath of Sagadahoc County were named Friday by Gov. James B. Longley.

Dow, who resigned as commissioner of Waldo County, will be replaced by Chester Grady, Belfast. The 69-year-old Grady has been a member of the Belfast City Council for 22 years.

Stover, who was Sagadahoc County treasurer before his election to the House, will be replaced by his wife, Ida Stover. Mrs. Stover, 62, has been town clerk for West Bath for 19 years. She has served as deputy county treasurer since March 1977.

Hearing set on 'Blues'

By The Associated Press

Maine Blue Cross-Blue Shield's rates will be examined at a public hearing by the Bureau of Insurance later this month to determine whether they are reasonable and if not, whether the firm's license should be revoked.

Insurance Supt. Frank M. Hogerty Jr. Friday announced the hearing for May 25 at 7 p.m. at the Augusta Civic Center.

Last month, Hogerty denied Blue Cross-Blue Shield permission to raise premiums from 7.6 per cent to 16.3 per cent for most of its 530,000 subscribers in Maine.

However, the trustees of the firm said Hogerty lacked the authority to deny the rate hike and that higher levies would take effect July 1.

The president of the firm, Richard F. Nellson, has suggested that Blue Cross-Blue Shield was denied the statewide premium hikes because it refused to bow to Gov. James B. Longley's demands to delay higher rates for state employees.

Longley as said Nellson's remarks were unfair and in error.

and he questioned the salary levels of Blue Cross-Blue Shield executives.

The May 25 hearing will focus on Blue Cross-Blue Shield's certificate of authority, its license to do business in the state. The certificate can be revoked by the insurance bureau if rates are ruled unreasonable.

The rates under question are for non-group Blue Cross and Blue Shield and group Blue Shield.

Hogerty said those interested in intervening in the case must apply for such status by May 20.

A hearing on the matter was suggested to Hogerty Thursday by state Rep. Nancy Clark (D-Freeport), House chairman of the legislature's Business Legislation Committee.

She wrote to Hogerty saying the rate dispute has caused considerable confusion among the public.

Mrs. Clark said a hearing would help alleviate that confusion and resolve a situation which appears to be polarizing an adversary relationship between parties which for so long have earned the respect of Maine citizens.

Mainer on 'Most Wanted' list

PORTLAND (AP) — Raymond Luc Levasseur described as a member of a revolutionary group which finances its operations through criminal activities, now is on the FBI's 10 Most Wanted list.

An FBI announcement said the name of the 30-year-old Sanford native was added Thursday to the list. He is wanted in Portland on indictments charging him with bank robbery.

The announcement said Levasseur was a member of a revolutionary group which has claimed credit for several acts of violence. It said he was known to possess numerous weapons and is regarded as dangerous.

At the Portland trial of a suspected bomber last January, a government witness linked Levasseur to the 1976 bombing of the Suffolk County Courthouse in Boston.

Levasseur and several other persons were indicted here on charges resulting from bank robberies in Portland and Augusta

during 1975. He also is wanted in Providence, R.I., for interstate flight to avoid prosecution for unlawful possession of a weapon.

A former lumber mill worker, Levasseur served time in Tennessee State Prison and later operated the Red Star North Bookstore in Portland, which specialized in radical books and pamphlets. He is a former student at the University of Maine, Portland-Gorham.

Levasseur was described in the FBI announcement as six feet tall, 185 pounds, medium build, with long brown hair and green eyes. The FBI said he has the tattoo of a dragon on his upper right arm and a panther's head with the word "Liberation" on his left arm.

An FBI spokesman said Levasseur replaces convicted bank robber and prison escapee Benjamin H. Paddock on the agency's list of most wanted fugitives.

HSA denies 'boondoggle'

By The Associated Press

The chairman of the board of the Maine Health Systems Agency defended the accomplishments of the year-old organization Friday against charges by the governor that it was a "boondoggle."

The Rev. Peter P. Gorham said the people of the state can be proud of the agency which was created under a federal law to help determine the health care needs of the state and to evaluate the proposed expansion of hospitals and other health facilities.

He cited the drafting of a statewide health care plan, a savings of \$300,000 through review of projects, a proposal readied for the legislature to require strict screening of all new health care facilities and

a statewide conference on health planning which has been recommended as a national planning model.

The Rev. Mr. Gorham called the development of a health plan for the state "an undertaking that is unparalleled in the state's history, hardly a boondoggle."

April 27, Gov. James B. Longley lashed out at the agency, charging that it wasted tax dollars, that its staff was overpaid and that it hindered attempts to hold down rising health care costs.

Longley reaffirmed the charge this week.

The HSA leader responded to Longley. After repeated unsuccessful attempts over the past several months to engage you personally for purposes of updating you on our activities, perhaps you can understand our complete and total surprise at your comments.

He wrote: "We can accept that the element of surprise has its place between warring enemies. We sincerely question how it can have any place between those who espouse common goals and objectives as we had believed was the case between you and our agency on behalf of the citizens of Maine."

He said staff members' salaries are comparable to those with similar jobs throughout New England.

He said Longley recommended that the state have

only one health planning agency with a highly qualified staff and suggested that regional councils be established to ensure contacts with the people of the state.

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